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No. 80/102

June 27, 1980

TO COUNTY ASSESSORS:

REVENUE AND TAXATION CODE SECTION 482
BASIS FOR DETERMINING THE \$100 OR 10 PERCENT PENALTY
FOR FAILURE TO FILE A CHANGE IN OWNERSHIP STATEMENT

This letter revises our answer to question number 13 in letter to assessors 30/19 dated February 8, 1980. The question and answer read:

Question: "Would special district assessments, general obligation bond charges, and improvement bond charges incorporated in the tax bill be included when determining the amount of penalty?"

Answer: "Yes, the 10 percent penalty calculation should be made by taking 10 percent of all special and general taxes and special assessments that are a lien on the property and are incorporated in the property tax bill."

The revised answer is: The base upon which the 10 percent penalty is calculated should include only charges for the current year's taxes. This amount is determined by multiplying the current year's tax rate plus appropriate rates for overrides by the current year's assessed value.

Amounts included on tax bills for special assessments or "direct levies" (charges for various services rendered by a governmental agency/unit to a property owner), sometimes referred to as taxes, should not be included in the base for calculating the penalty.

In a separate letter, the State Controller, Division of Local Government Affairs, Uniform Accounting Procedures Section, will advise county auditors/controllers concerning the proper method for calculating the penalty amount since these computations are ultimately their responsibility.

Hopefully our previous answer has not caused you undue inconvenience.

Sincerely,

Verne Walton
Verne Walton, Chief

Assessment Standards Division

VW:sk

CHANGE IN OWNERSHIP

| 220.0595 **Rescission.** A rescission relates back to the formation of a contract and dissolves it as though it had never been made. Thus, once a contract for the sale of real property is rescinded by mutual consent, the parties are placed in the same position they were in before the contract was executed, and the value of the real property reverts to its previous base year value with appropriate adjustment(s) for inflation. However, taxes incurred after the contract had been executed and before it was rescinded remain owing since they have become owing because of the facts which existed on the applicable lien date(s), and no refund(s) thereof should be made. C 1/16/85.